



Participant Guide –

AM341: Adjusting, Recategorizing, Transferring, and Retiring Assets

State of Kansas

TABLE OF CONTENTS

Course Overview	3
Course Objectives	3
Agenda.....	3
Lesson 1: Understanding Asset Adjustment, Recategorization, Transfer, and Retirement	4
Objectives	4
Topic 1: Key Concepts for Asset Adjustment, Recategorization, Transfer, and Retirement.....	5
Topic 2: Understanding Asset Adjustment, Recategorization, Transfer, and Retirement	6
Lesson Review	7
Lesson 2: Adjusting and Recategorizing Assets	8
Objectives	8
Topic 1: Understanding Asset Adjustments	8
Topic 2: Adjusting Asset Information	9
Topic 3: Recategorizing an Asset	13
Lesson Review	19
Lesson 3: Transferring Assets	20
Objectives	20
Topic 1: Understanding Asset Transfers.....	20
Topic 2: Transferring an Asset within a Business Unit	21
Topic 3: Transferring an Asset between Business Units	25
Lesson Review	29
Lesson 4: Retiring and Reinstating Assets	30
Objectives	30
Topic 1: Understanding Asset Retirement and Reinstatement.....	30
Topic 2: Retiring an Asset by Sale.....	32
Topic 3: Retiring an Asset by Trade-In	38
Topic 4: Retiring an Asset Using a Disposal Worksheet	40
Topic 5: Reinstating Assets	46
Lesson Review	48



Course Overview

Course Objectives

Upon completion of the course, you will be able to:

- Understand asset adjustment, transfer, recategorization, retirement, and reinstatement
- Adjust and recategorize an asset
- Transfer assets within and between business units
- Retire and reinstate assets

Agenda

Today, we will cover the following topics:

- Defining Key Terms for Asset Adjustment, Recategorization, Transfer, and Retirement
- Understanding Asset Adjustment, Recategorization, Transfer, and Retirement Processes
- Understanding Asset Adjustments
- Adjusting Financial Asset Information
- Recategorizing an Asset
- Understanding Asset Transfers
- Transferring an Asset within a Business Unit
- Transferring an Asset between Business Units
- Understanding Asset Retirement and Reinstatement
- Retiring an Asset by Sale
- Retiring an Asset by Trade-In
- Retiring an Asset Using a Disposal Worksheet
- Reinstating Assets

Participant Notes:

Lesson 1: Understanding Asset Adjustment, Recategorization, Transfer, and Retirement

Objectives

Upon completion of this lesson, you will be able to:

- Describe the end-to-end processes for adjusting, recategorizing, transferring, and retiring assets
- List roles involved in the asset adjustment, recategorization, transfer, and retirement management process and describe tasks performed by each role



Key Terms

- **Adjustment** – The process of modifying a change to fields that have financial impacts, such as changes to an asset's cost
- **Additions** – Adds an additional cost line as a result of alternate or multiple funding sources
- **Categories** - Classifies assets by type for accounting entry and financial reporting purposes. These categories often reflect how assets are reported on the balance sheet.
- **Recategorization** – The process of changing an asset's category as a result of an incorrect asset profile selection
- **Transfer** – The process of moving an asset to a different area within a business unit or to another business unit
 - **InterUnit Transfer** – The process of moving assets from one business unit to another business unit

Participant Notes:



- **IntraUnit Transfer** – The process of moving assets between departments within the same business unit
- **Retirement** – The disposal or removal of an asset from use
- **Reinstatement** – The process of restoring an asset to service from retirement

Topic 1: Key Concepts for Asset Adjustment, Recategorization, Transfer, and Retirement

- Asset adjustment lets you change the financial information for an asset
- To recategorize an asset, change the asset category
- Asset transfers can occur between or within agencies
- Retire assets in part or in full by quantity or cost
- Reinstating an asset reverses all retirement transactions
- The Agency Asset Adjustment, Transfer, and Retirement Processor completes all activities related to adjusting, recategorizing, transferring, retiring, and reinstating assets in SMART

Note: Only Central Asset Processors can complete InterUnit Transfers due to business unit security in SMART.

- There is one role associated with Asset Adjustment, Recategorization, Transfer, and Retirement Processes

Role	Description
Agency Adjuster, Transfer, Retirement Processor	Adjusts asset cost information, performs cost addition, performs IntraUnit transfer, performs asset recategorizations, retires an asset, processes a Disposal Worksheet, reinstates assets

Participant Notes:

Topic 2: Understanding Asset Adjustment, Recategorization, Transfer, and Retirement

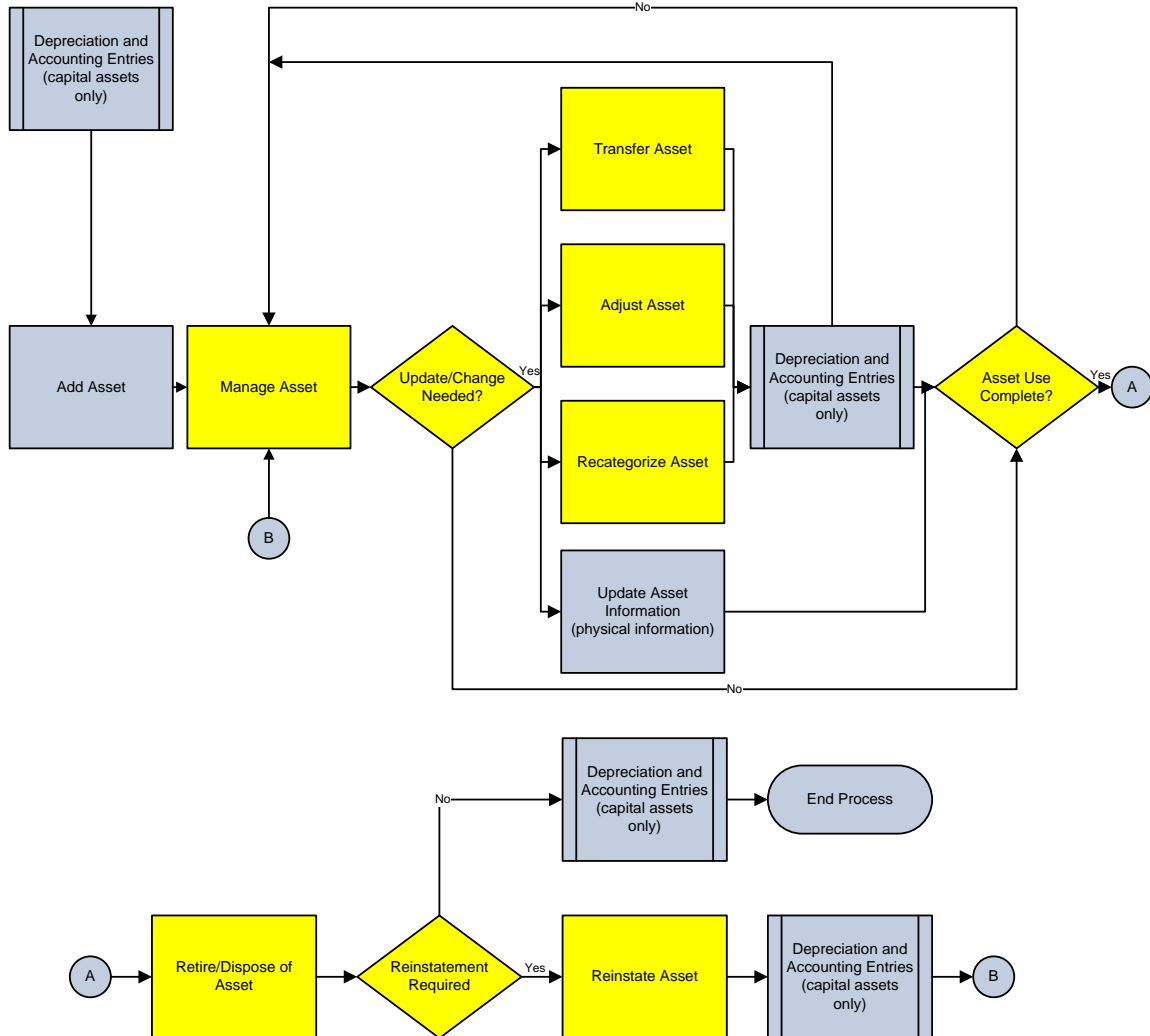


Figure 1. Asset Management End-to-End Process

Participant Notes:

Lesson Review

In this lesson, you learned to:

- Explain key terms and concepts for asset adjustment, recategorization, transfer, and retirement
- Describe the end-to-end processes for adjusting, recategorizing, transferring, and retiring assets and how they fit into the end-to-end Asset Management process
- The responsibilities of the Agency Asset Adjustment, Transfer, and Retirement Processor



Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Glossary
<http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.htm>
- Asset Management Business Process Flows:
<http://www.da.ks.gov/smart/training/coursematerials/>

Participant Notes:



Lesson 2: Adjusting and Recategorizing Assets

Objectives

Upon completion of this lesson, you will be able to:

- Adjust (change) asset information, including cost and quantity
- Recategorize an asset by asset category

Topic 1: Understanding Asset Adjustments

- After adding assets to SMART, you may need to change information about the assets due to:
 - Mistakes when entering an asset in SMART
 - Changes to the physical location of an asset
 - Changes to an organization that affect the financial information of an asset
- When you adjust a parent asset:
 - SMART does not automatically filter the adjustment down to child assets. If necessary, add a separate transaction for the child assets to reflect the adjustment
 - SMART displays a reminder message stating that child assets exist for the parent to which you are making the adjustment
- When you adjust a capital asset, SMART creates the appropriate accounting and depreciation entries through a batch process, which is automatically run on a regular basis
 - The accounting entries are sent to the general ledger and update the value and depreciation information for the asset
 - These entries ensure that your agency correctly represents the value of its assets

Participant Notes:

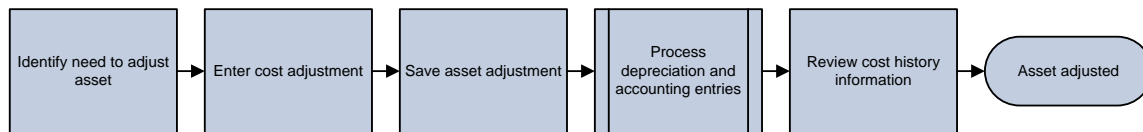


Figure 2. Adjusting Asset Cost Process

Topic 2: Adjusting Asset Information

- Changing financial information about an asset such as cost or quantity affects your financial books
- Capital asset will create an accounting entry in the amount of the adjustment for the CAFR book

Page Name	Navigation
Main Transaction - Adjustment	Asset Management>Asset Transactions>Financial Transactions>Cost Adjust/Transfer Asset

Main Transaction

Unit: 28000
Asset ID: 000000000012
Crown Victoria
Tag: SCM 123
In Service

Transaction Date:

Accounting Date:

Transaction Code:

Rate Type:

☒ Copy Changes to Other Books

Copy to Other Books Options

Transfer Other Books by:

Adjust Other Books By:

Include Convention:

Action:

Adjustment

GO!

Figure 3. Main Transaction Page – Adjustment

Participant Notes:



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and Retiring Assets
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Fields	Description
Transaction Date and Accounting Date	<p>SMART defaults these values to the current date or dates specified for the user defaults. You may enter transactions into SMART after they occur.</p> <p>Note: Any difference between the transaction date and accounting dates affect depreciation and posting.</p>
Copy Changes to Other Books	State of Kansas has chosen to keep all books in sync. Therefore, any changes you make are automatically be copied to all books for this asset. Use the Copy to Other Books Options section to choose settings for the automatic copy.
Adjust Other Books by	Select whether to adjust other books by amount or percentage
Include Convention	Accept the default value of exclude.
Action	Use the Action drop-down list to choose the Adjustment item

Table 1. Main Transaction – Adjustment Fields

Page Name	Navigation
Cost Information – Adjustment	Asset Management>Asset Transactions>Financial Transactions>Cost Adjust/Transfer Asset>Cost Information>GO! button

Participant Notes:

Main Transaction
Cost Information

Unit: 17300 Asset ID: 000000000002 Automobile Tag: In Service

[Change Location](#)

Book
Find | View All First 1 of 2 Last

Book Name: CAFR CAFR Reporting Book Base Currency: USD Convention: Half Year

▶ Cost History

Edit Cost Information

Adjust All Rows By: Percent: Quantity: Cost: Curr: USD Apply + -

Quantity	Cost	Salvage	Category	Cost Type	Unit
1.0000	12,318.99	0.00	VEHCL	<input type="checkbox"/>	17300

Dept Fund Bud Unit Program Project

Svc Loc Agy Use ChartField 2

1730000000 1000 0210 01300

Adjust Current Row By: USD Apply

Figure 4. Cost Information Page – Adjustment

Fields	Description
Convention	SMART uses a default value of Actual Month for all transactions with the exception of adjustments and retirements. Adjustments and retirements use different conventions.
Cost History	Expand to review the cost balance for the asset. Note: You can only review cost rows for the asset and their associated ChartFields here. Add new cost rows in the Edit Cost Information section.

Participant Notes:

Fields	Description
Adjust All Rows By	Enter the appropriate percentage, quantity, or amount in the corresponding field. The default is a positive adjustment. To make a negative adjustment, enter a negative percentage or amount. Note: You can adjust the cost by either percent or amount, but not both.
Apply	Click to prorate the adjustment and, for multi-ChartField assets, add it to each cost row
Cost and Quantity	Enter the new values or change the existing values in the corresponding field. You can adjust an asset's cost for individual cost rows by entering the new cost into the Cost field for each cost row that you want to change. Note: To adjust the quantity for individual cost rows, enter the new quantity, not the number of units by which the quantity is increased or decreased, into the cost rows.

Table 2. Cost Information Fields – Adjustment



Walkthrough/Activity

We will now complete Activity 1: Adjusting Asset Information in your Activity Guide.

Participant Notes:



Topic 3: Recategorizing an Asset

- You might need to recategorize an asset because an incorrect asset profile was selected, resulting in an incorrect asset category which affects the balance sheet reporting.
- If profile ID correctly reflects whether the asset is capital or non-capital (even if the profile is wrong), the agency can make all corrections. The corrections that can be made are as follows:
 - Profile ID
 - Asset Class
 - Asset Type
 - Asset Subtype
 - Asset Category
 - Useful Life
- If the profile ID does not correctly reflect whether the asset is capital or non-capital, the agency should make their corrections and then contact central, who will add or delete books.
- The depreciation calculation process moves stored depreciation amounts from category to category.

Note: Incorrect Asset Profile Job Aid will be available on the web as a material course resource.

Participant Notes:

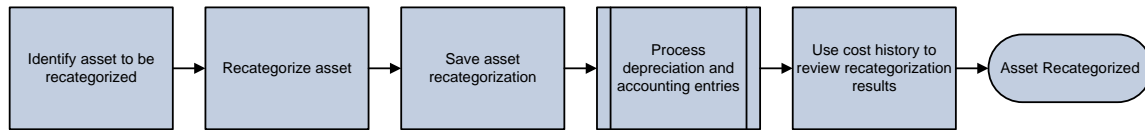


Figure 5. Recategorizing Asset Process

Page Name	Navigation
Main Transaction - Recategorize	Asset Management>Asset Transactions>Financial Transactions>Cost Adjust/Transfer Asset>Main Transaction

Main Transaction

Unit: 28000 Asset ID: 000000000012 Crown Victoria
Tag: SCM 123 In Service

Transaction Date:

Accounting Date:

Transaction Code:

Rate Type:

☒ Copy Changes to Other Books

Copy to Other Books Options

Transfer Other Books by:

Adjust Other Books By:

Include Convention:

Action:

Figure 6. Main Transaction Page – Recategorize

Fields	Description
Action	Use the Action drop-down list to choose the Recategorize item

Table 3. Main Transaction Fields – Recategorize

Participant Notes:

Page Name	Navigation
Cost Information - Recategorize	Asset Management>Asset Transactions>Financial Transactions>Cost Adjust/Transfer Asset>GO! button

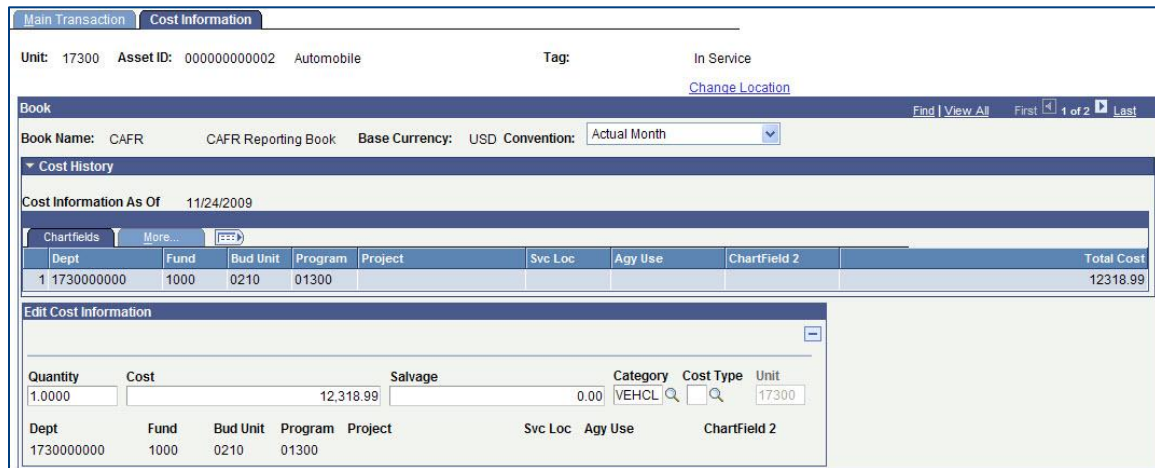


Figure 7 Cost Information Page – Recategorize

Fields	Description
Category	Use the Category field to select a new asset Category for the asset

Table 4. Cost Information Fields – Recategorize

Page Name	Navigation
Cost History List	Asset Management>Asset Transactions>History>Review Cost>Cost History List

Participant Notes:

Cost History List		Cost History Detail		Non Cap History List		Non Cap History Detail	
Unit:	17300	Asset ID:	000000000003	4 dr sedan		Tag:	In Service
Book		Find View All		First 1 of 2		Last	
Book Name:		CAFR		CAFR Book		Currency: USD	
Total Cost:		45,100.00					
		Customize Find View All		First 1-4 of 4		Last	
Cost		Chartfields					
Acctg Date	Trans Type	In/Out	Quantity	Total Cost Detail			
1 08/03/2009	ADD		1.0000	45,000.00 Detail			
2 09/22/2009	ADJ			100.00 Detail			
3 09/22/2009	RCT	O	-1.0000	-45,100.00 Detail			
4 09/22/2009	RCT	I	1.0000	45,100.00 Detail			

Figure 8. Cost History List Page

Page	Description
Cost History List	Use the Cost History List page to review a summary of the recategorization

Table 5. Cost History Information

Page Name	Navigation
Cost History Detail	Asset Management>Asset Transactions>History>Review Cost>Cost History Detail

Participant Notes:

Cost History List				Cost History Detail				Non Cap History List				Non Cap History Detail			
Unit: 17300		Asset ID: 000000000003		4 dr sedan		Tag:		In Service							
Book								Find View All							
								First		1 of 2		Last			
Book Name: CAFR				CAFR Book				Base Currency: USD							
Cost								Find View All							
								First		3 of 4		Last			
Acctg Date:		09/22/2009		Trans Date:		09/22/2009		Date/Time Stamp:		09/22/2009 6:39:29AM					
Trans Type:		RCT Out		Asset Recategorization						Interunit Transfer Information					
Trans Code:										Unit:					
Cost:				-45,100.00		USD				Asset ID:					
Base Cost:				-45,100.00		USD				Book:					
Salvage:				-2,000.00						Exchange Rate					
Quantity:				-1.0000						Rate Type: CRRNT					
Convention:		AM								Rate Effdt: 09/22/2009					
User ID:		FMSAROBINSON								Exchange Rate: 1.00000000					
Category:		AUTO		Automobile											
Cost Type:															
Department:															
Fund Code:															
Budget Unit:															
Program Code:															
Project:															
Service Location:															
Agency Use:															
ChartField 2:															

Figure 9. Cost History Detail Page – Recategorization Out

Participant Notes:

Cost History List Cost History Detail Non Cap History List Non Cap History Detail			
Unit: 17300 Asset ID: 000000000003 4 dr sedan		Tag: In Service	
Book Find View All First 1 of 2 Last			
Book Name: CAFR CAFR Book		Base Currency: USD	
Cost Find View All First 4 of 4 Last			
Acctg Date:	09/22/2009	Trans Date:	09/22/2009
		Date/Time Stamp: 09/22/2009 6:39:29AM	
Trans Type:	RCT In	Asset Recategorization	
Trans Code:			
Cost:	45,100.00 USD		
Base Cost:	45,100.00 USD		
Salvage:	2,000.00		
Quantity:	1.0000		
Convention:	AM		
User ID:	FMSAROBINSON		
Category:	LAUTO Leased Automobile		
Cost Type:			
Department:			
Fund Code:			
Budget Unit:			
Program Code:			
Project:			
Service Location:			
Agency Use:			
ChartField 2:			

Interunit Transfer Information
 Unit:
 Asset ID:
 Book:

Exchange Rate
 Rate Type: CRRNT
 Rate Effdt: 09/22/2009
 Exchange Rate: 1.00000000

Figure 10. Cost History Detail Page – Recategorization In

Page	Description
Cost History Detail	Use the Cost History Detail page to review each record of cost information for the information, by asset book

Table 6. Cost History Detail Information

Participant Notes:



Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Recategorizing Assets



Walkthrough/Activity

We will now complete Activity 2: Adjusting and Recategorizing Assets in your Activity Guide.

Lesson Review

In this lesson, you learned to:

- Describe the impacts of adjusting and recategorizing assets
- Adjust asset information
- Recategorize Assets



Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Glossary
<http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.htm>
- Asset Management Business Process Flows:
<http://www.da.ks.gov/smart/training/coursematerials/>

Participant Notes:



Lesson 3: Transferring Assets

Objectives

Upon completion of this lesson, you will be able to:

- Transfer an asset within a business unit
- Transfer an asset between business units

Topic 1: Understanding Asset Transfers

- Assets can be transferred within and between business units
- Physical location can only be updated during the transfer process when at least one ChartField is changed
- Parent and child assets can be transferred together or separately. To transact against a parent and child asset at the same time, the parent and child must have the same asset profile.
- A separate child asset tab is visible when a parent/child relationship has been identified in the SMART system. An example of a parent/child relationship would be a playground would be the parent asset and the slipper slide, merry-go-round and swing set would be the child assets.

Note: Parent assets that are created on the Parent Asset page (parent-only assets) do not have cost or basic information. Therefore, they cannot be viewed or transacted against in the Asset Cost/Adjust Transfers component.

- Both transfer types – InterUnit and IntraUnit – have a financial impact and require the creation of accounting entries. Depreciation calculations may be affected when an asset is transferred.
- When you transfer an asset, SMART creates the appropriate accounting and depreciation entries through a batch process, which is automatically run on a regular basis. The accounting entries are sent to the general ledger and update the value and depreciation information for the asset.

Participant Notes:

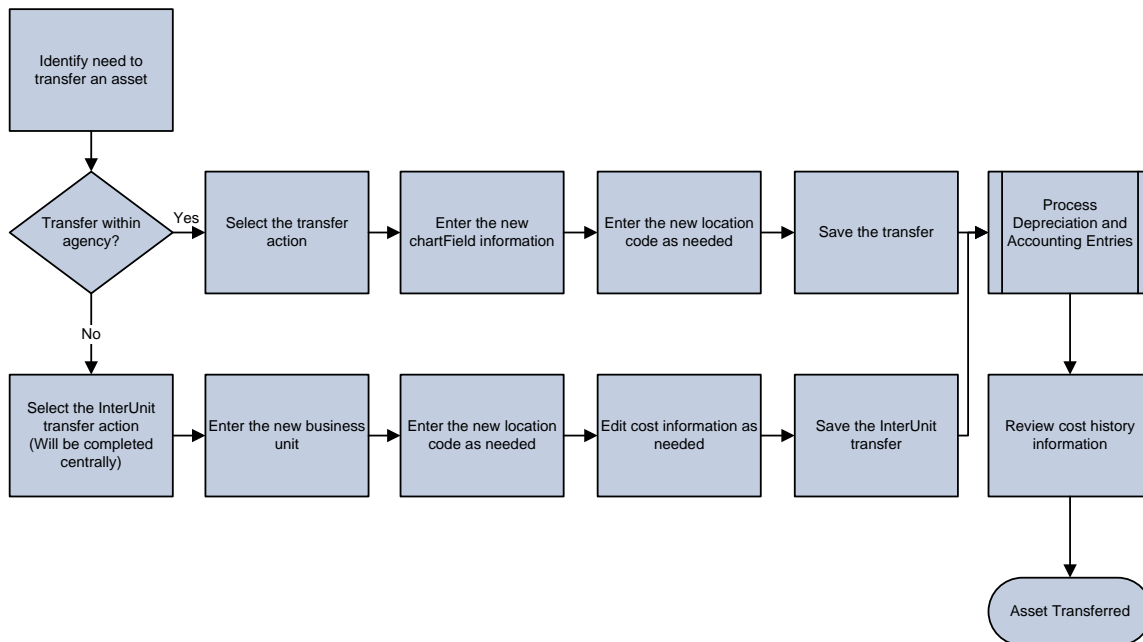


Figure 11. Transferring an Asset Process

Topic 2: Transferring an Asset within a Business Unit

- The IntraUnit transfer of assets involves transferring assets from one set of ChartFields to another set of ChartFields within the same business unit
- The three types of IntraUnit transfers that can be performed:
 - **Full Transfer** – This type of transfer requires you to transfer all units or the total cost of the asset
 - **Partial Transfer** – This type of transfer enables you to allocate the cost and depreciation of an existing asset to multiple sets of ChartFields

Participant Notes:

- **Retroactive Transfer** – This type of transfer enables you to retroactively transfer assets that were physically moved during a previous accounting period but have not yet been entered into the Asset Management system

Page Name	Navigation
Main Transaction - Transfer	Asset Management>Asset Transactions>Financial Transactions>Cost Adjust/Transfer Asset

Main Transaction

Unit: 17300 Asset ID: 000000000006 Forklift Tag: DOA125 In Service

Transaction Date: 03/05/2010
Accounting Date: 03/05/2010
Transaction Code:
Rate Type: CRRNT

☒ Copy Changes to Other Books

Copy to Other Books Options
Transfer Other Books by: Amount
Adjust Other Books By: Amount
Include Convention: Exclude

Action: Transfer
GO!

Save
Return to Search
Previous in List
Next in List
Notify
Update/Display
Include History

Figure 12. Main Transaction Page – Transfer

Fields	Description
Action	Use the Action drop-down list to choose the Transfer item/Select GO!

Table 7. Main Transaction Page Fields – Transfer

Participant Notes:

Main Transaction
Cost Information

Unit: 17300 Asset ID: 000000000006 Forklift Tag: DOA125 In Service

Book
Find | View All
First
1 of 2
Last

Book Name: CAFR CAFR Reporting Book Base Currency: USD Convention: Actual Month

Cost History

Edit Cost Information

Quantity	Cost	Salvage	Category	Cost Type	Unit
1.0000	10,000.00	0.00	EQFRN		17300

Dept	Fund	Bud Unit	Program	Project	Svc Loc	Agy Use	ChartField 2
1732500000	2028	0550	01850		ALMA		

Adjust Current Row By: USD Apply

Save
Return to Search
Previous in List
Next in List
Notify

Update/Display
Include History

Main Transaction | Cost Information

Figure 13. Cost Information Page - Transfer

Asset Location Transfer

Location
Find
First
1 of 1
Last

Location: KSALI Salina

Area ID:

Figure 14. Asset Location Transfer Page

Fields	Description
Location	Enter the new location for the asset
Area ID	Enter the area ID for the asset

Table 8. Asset Location Transfer Fields

Participant Notes:

- When transferring parent and child assets, you must also use the **Child Assets** page to complete the transfer

Note: If the asset does not have child assets, you will not get the child asset tab.

Main Transaction
Cost Information
Child Assets

Unit: 00200 Asset ID: 000000000016 Main computer Status: In Service

Tag Number: 87654
[Deselect All](#)

										Customize Find View All	First 1-3 of 3 Last
Selected	Tag Number	Description	Child Asset ID	Asset Status	Cost	Currency	Acq Date	Child Details	Go To >>		
1 <input checked="" type="checkbox"/>	5689	INVENTORY SCANNERS	000000000017	In Service	6599.00	USD	11/25/2008	Child Details	<div style="border: 1px solid #ccc; width: 100px; height: 20px;"></div>		
2 <input checked="" type="checkbox"/>	55654	INVENTORY SOFTWARE	000000000018	In Service	500.00	USD	11/25/2008	Child Details	<div style="border: 1px solid #ccc; width: 100px; height: 20px;"></div>		
3 <input checked="" type="checkbox"/>		Computers	000000000206	In Service	7500.00	USD	07/01/2009	Child Details	<div style="border: 1px solid #ccc; width: 100px; height: 20px;"></div>		

☒ Include Parent Asset
[Advanced Txn Details](#)

Figure 15. Child Assets Page

Fields	Description
Select All	Click Select All to include all child assets with the parent in the transaction that you have initiated. To include some child assets, select the Selected check box on the specific rows.
Include Parent Asset	Select to include the parent asset in this transaction

Table 9. Child Assets Fields



Walkthrough/Activity

We will now complete Activity 3-4: Transferring Assets Within Business Units in your Activity Guide.

Participant Notes:

Topic 3: Transferring an Asset between Business Units

- When you want to transfer an asset between two Asset Management business units, SMART records a **Transfer Out** from the first business unit and a **Transfer In** to the new business unit

Note: This process is performed centrally because of business unit security. However, the agency will need to complete a spreadsheet and send to central with all pertinent information. This spreadsheet will be available on the course material web page as a resource.

Page Name	Navigation
Main Transaction – InterUnit Transfer	Asset Management>Asset Transactions>Financial Transactions>Cost Adjustment/Transfer Assets

Main Transaction

Unit: 00200
Asset ID: 000000000058
Computer
Tag: In Service

Transaction Date:

Accounting Date:

Transaction Code:

Rate Type:

☒ Copy Changes to Other Books

Copy to Other Books Options

Transfer Other Books by:

Adjust Other Books By:

Include Convention:

Action:GO!

Figure 16. Main Transaction Page – InterUnit Transfer

Participant Notes:

Fields	Description
Action	Use the Action drop-down list to choose the InterUnit Transfer item

Table 10. Main Transaction Fields – InterUnit Transfer

Page Name	Navigation
Cost Information Page – Interunit Transfer	Asset Management>Asset Transactions>Financial Transactions>Cost Adjustment/Transfer Assets

Main Transaction
Cost Information

Unit: 17300 Asset ID: 000000000002 Automobile Tag: In Service

InterUnit Transfer

Enter New Business Unit Information

Find | View All
First 1 of 1 Last

New Unit:
New Asset ID:

[InterUnit Transfer Options](#)

Profile ID:
Trans Code:

[Transfer From/To Books](#)
☒ Use Profile

[Change Location](#)

Book

Find | View All
First 1 of 2 Last

Book Name: CAFR CAFR Reporting Book Base Currency: USD Convention: Actual Month

Cost History

Edit Cost Information

Quantity	Cost	Salvage	Category	Cost Type	Unit
<input type="text" value="1.0000"/>	<input type="text" value="12,318.99"/>	<input type="text" value="0.00"/>	<input type="text" value="VEHCL"/>	<input type="text"/>	<input type="text" value="28000"/>

Dept	Fund	Bud Unit	Program	Project	Svc Loc	Agy Use	ChartField 2
<input type="text" value="1730000000"/>	<input type="text" value="1000"/>	<input type="text" value="0210"/>	<input type="text" value="01300"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Figure 17. Cost Information Page – InterUnit Transfer

Participant Notes:



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Fields	Description
New Unit	Select the business unit to which you are transferring the asset
New Asset ID	Defaults to NEXT
Profile ID	Select a profile ID that is valid for the new business unit
InterUnit Transfer Options	Click the InterUnit Transfer Options link to access the InterUnit Transfer Options page where you can select the asset information that you want transferred with the asset. Note: By default, all options are selected.
Transfer From/To Books	Click Transfer From/To Books to access the Transfer From/To Books page where you specify the way in which cost information is passed between business unit books
Use Profile	Use the Use Profile option to get profile attributes
Convention	SMART uses a default value of Actual Month for all transactions with the exception of adjustments and retirements. Adjustments and retirements use different conventions.
Edit Cost Information	Use the fields in the Edit Cost Information group box to specify the cost, quantity, ChartField, and other asset cost information

Table 11. Cost Information Fields – InterUnit Transfer

Page Name	Navigation
Transfer To/From Books	Asset Management>Asset Transactions>Financial Transactions>Cost Adjustment/Transfer Assets>GO! button>Cost Information>Transfer To/From Books link

Participant Notes:

Asset Cost IU Book Transfer

From Books	Currency	To Book	Currency	Add/Transf	New Group ID
CAFR ▼	USD	CAFR	USD	Transfer ▼	
STATE ▼	USD	STATE	USD	Transfer ▼	

Figure 18. Transfer To/From Books Page

Page	Description
Transfer To/From Books	Use the Transfer To/From Books page to choose the way in which cost information is passed between business unit books (if applicable)

Table 12. Transfer To/From Books Information

Participant Notes:

Lesson Review

In this lesson, you learned to:

- Explain asset transfers within and between business units
- Transfer assets within a business unit
- Transfer an asset between a business unit



Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Glossary
<http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.htm>
- Asset Management Business Process Flows:
<http://www.da.ks.gov/smart/training/coursematerials/>

Participant Notes:



Lesson 4: Retiring and Reinstating Assets

Objectives

Upon completion of this lesson, you will be able to:

- Retire an asset by sale, trade-in, and disposal worksheet
- Reinstatement a retired asset

Topic 1: Understanding Asset Retirement and Reinstatement

- All assets should be retired using the **Retire/Reinstate Asset** component with the exception of operating leases. Use the **Retire/Reinstate Non-Fin Asset** component to retire operating leases.
- Assets are fully or partially retired by quantity or by cost
- You can also enter retroactive retirement information for assets that were actually retired in a prior accounting period
- Types of asset disposal:
 - **Abandonment** – Use when the asset has no resale value and is left behind
 - **Cannibalize for Other Assets** – Use when the asset has been dismantled and the parts reused within your agency
 - **Casualty Loss** – Use when an asset is unintentionally destroyed. If you cannot sell the asset, you might incur removal costs disposing of it.
 - **Donated to External Group** – Use when an asset is donated
 - **KS Surplus (Retired to State Surplus)** – Use when an asset is sent to State Surplus
 - **Missing Asset** – Use when the asset is missing. Missing assets have no proceeds or removal costs.
 - **Retirement by Sale** – Use when you sell an asset
 - **Rtn_Fed (Returned to Federal Government)** - Use when an asset is returned to the Federal Government

Participant Notes:



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- **Scrapped Assets** – Use when the asset is no longer useful and has no resale value
- **Traded In for Another Asset** – Use when you are trading one asset for another
- You can retire parent-child assets in several ways:
 - Retire the parent asset and all related child assets
 - Retire the parent asset and some related child assets
 - Retire all the child assets only and not the parent asset
 - Retire only some of the child assets and not the parent asset
- When you retire an asset, SMART creates the appropriate accounting and depreciation entries through a batch process, which is automatically run on a regular basis. The accounting entries are sent to the general ledger and update the value and depreciation information for the asset.
- Assets sent to State Surplus are no longer considered an agency's property, therefore when the asset is sold, the agency does not record the proceeds.

Note: When you reinstate an asset, the accounting entries created by retiring the asset are reversed.

Participant Notes:

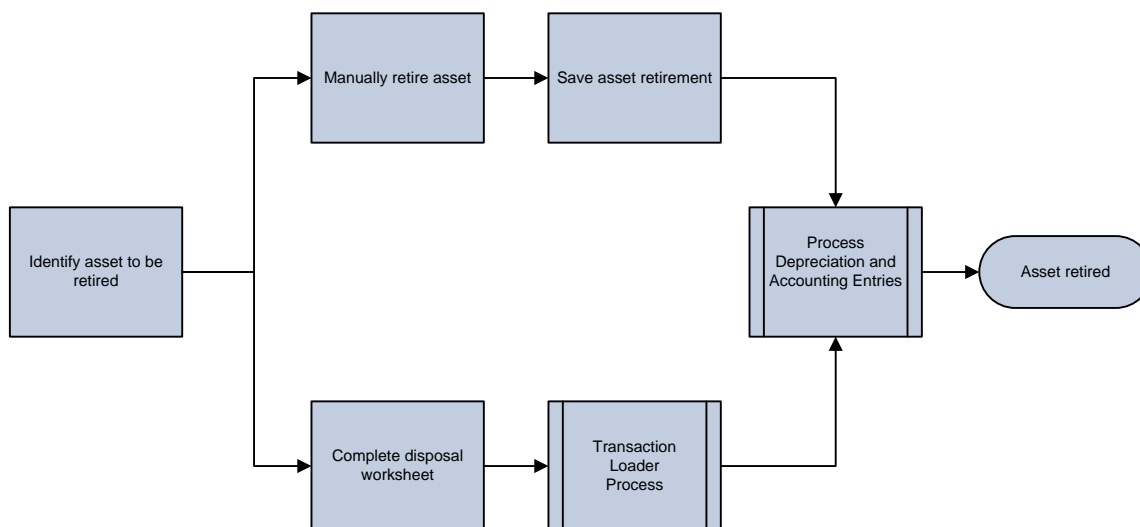


Figure 19. Retiring an Asset Process

Topic 2: Retiring an Asset by Sale

- The Asset Management module allows the proceeds received from the sale of an asset to be recorded when a **retirement by sale** transaction is recorded
 - Proceeds recorded in the Asset Management module are not posted to the GL Actuals Ledger
 - Proceeds recorded in the Asset Management module are posted to the CAFR Reporting Ledger against the asset's initial funding stream
- The actual deposit for the cash received is not recorded in the Asset Management module. Record this transaction in the Accounts Receivable module as a deposit, which then posts to the GL Actuals Ledger in the General Ledger module.

Participant Notes:

Note: There is no integration between the actual receipt/deposit and the Asset Management module.

Page Name	Navigation
Retire Assets – Retirement by Sale	Asset Management>Asset Transactions>Asset Disposal>Retire/Reinstate Asset>Retire Assets

Retire Assets
Other Options
By Chartfield
Capital Gain

Unit: 17300 Asset ID: 000000000002 Automobile Tag: In Service

Trans Date: 11/25/2009 Acctg Date: 11/25/2009 Rate Type: CRRNT

Book
Find | View All
First 1 of 2 Last

Book Name: CAFR CAFR Reporting Book Base Currency: USD As Of: 11/25/2009

Retire As: Retirement by Sale Go Reinstate Quantity: 1.0000

☒ Copy Changes to Other Books Cost: 12,318.99

Retirement
Find | View All
First 1 of 1 Last

*Disposal Code: Retirement by Sale Date/Time: 11/25/09 11:36:56AM Ret Status: New

Quantity: -1.0000 Retirement Amt: -12,318.99 USD

Removal Cost: 0.00 RC Curr: USD Base Removal Cost: 0.00

Proceeds: 0.00 Pr Curr: USD Base Proceeds: 0.00

Convention: Half Year Accum Depr: 0.00

Trans Code: Gain/Loss: 0.00

Retire Option: Calculate Gain/Loss

Figure 20. Retire Assets Page – Retirement by Sale

Fields	Description
Transaction Date	<p>The transaction date reflects the date that the retirement actually occurred</p> <p>Note: The transaction date determines how much of the depreciation taken in SMART Asset Management must be recovered.</p>

Participant Notes:



AM341: Adjusting, Recategorizing, Transferring,
and Retiring Assets
Participant Guide
Statewide Management, Accounting and Reporting Tool



Fields	Description
Accounting Date	The accounting date determines when the retirement transaction is posted to the general ledger
Retire As	Specify the type of retirement transaction as Retire by Sale . Then, click the GO button.
As of, Quantity and Cost	These fields display the corresponding information as defined for this asset in the selected book before you save your changes. You can use this information as a reference when you enter quantity or amount information to partially retire an asset.
Disposal Code	This value defaults from the selection in the Retire As field
Removal Cost	Enter the amount of any cost for removal
Proceeds	Enter the amount of proceeds resulting from the transaction, if applicable
Convention	Defaults based on the asset profile. Do not change this field.
Retire Option	Always select the Calculate Gain/Loss option

Table 13. Retire Assets Fields

Page Name	Navigation
Retire Assets	Asset Management>Asset Transactions>Asset Disposal>Retire/Reinstate Asset>Other Options

Participant Notes:

Retire Assets
Other Options
By Chartfield
Capital Gain

Unit: 17300 Asset ID: 000000000002 Automobile Tag: In Service

Book Name: CAFR
Find | View All First 1 of 2 Last

Retirement
Find | View All First 1 of 1 Last

Gain/Loss Calculations
☐ Use Original Cost
☐ Recalc Cost Using Index
☐ Include Non Capitalized Cost

Conversion
☒ Voluntary ☐ Involuntary

Type
☒ Ordinary ☐ Extraordinary

Basis Reduction Code: 🔍
Index Name: 🔍
SubIndex: 🔍
Reference Code:
Description:

Trade In Asset:
☐ Auto-Retired

Figure 21. Other Options Page

Fields	Description
Use Original Cost and Basis Reduction Code	The State of Kansas does not use basis reduction codes. Do not select this check box and leave this field blank.
Recalc Cost Using Index, Index Name, and Subindex name	The State of Kansas does not use this option or fields. Do not select this check box and leave the fields blank.
Include Non-Capitalized Costs	The State of Kansas does not use this option. Do not select this check box.

Participant Notes:



**AM341: Adjusting, Recategorizing, Transferring,
and Retiring Assets
Participant Guide**
Statewide Management, Accounting and Reporting Tool



Fields	Description
Voluntary and Involuntary	Select one or the other to indicate whether this is a Voluntary or Involuntary retirement. Note: This is for information only.
Ordinary and Extraordinary	Select to indicate how the gain or loss that results from the retirement should be reported. Note: This is for information only.
Reference Code	Enter information to track the asset, such as retirement documentation. Open for additional information, as needed.
Description	Free text field used to enter additional information, as needed
Trade In Asset	Displays the ID of the new traded-in asset
Auto-Retired	The State of Kansas does not use this option. Do not select this check box.

Table 14. Other Options Fields

Page Name	Navigation
Retire Assets	Asset Management>Asset Transactions>Asset Disposal>Retire/Reinstate Asset>By Chartfield

Participant Notes:

Retire Assets
Other Options
By Chartfield
Capital Gain

Unit: 17300 Asset ID: 000000000002 Automobile
Tag: In Service

Book
Find | View All First 1 of 2 Last

Book Name: CAFR CAFR Reporting Book Currency: USD Group ID:

Retirement
Find | View All First 1 of 1 Last

Date: 11/25/09 11:36:56AM

Cost
Chartfields

Quantity	Retire Amt	Salvage Value
-1.0000	-12,318.99	

Figure 22. By Chartfield Page

Field	Description
Quantity or Retire Amt	<p>If required, override SMART's selections by entering an amount in the Retire Amt (retire amount) field or the Quantity field. Use this page only when assets are split between departments or partially retired.</p> <p>Note: When you perform a retirement by ChartField, for each ChartField combination you can retire only a cost or quantity that is less than or equal to the amount that was originally apportioned to that ChartField combination.</p>

Table 15. By Chartfield Fields



Walkthrough/Activity

We will now complete Activity 5-6: Retiring an Asset by Sale in your Activity Guide.

Participant Notes:

Topic 3: Retiring an Asset by Trade-In

- The trade-in value of the retired asset is included in the cost valuation of the new asset
- New assets resulting from a trade-in must use the “Trade-in” acquisition code
- Use the Express Add to add the new asset. An agency will do this because the acquisition code is automatically defaulted to purchased when coming from Purchasing and the code cannot be changed.
- Depreciation has to be run on the asset being traded in before the new asset is added

Note: Depreciation is run nightly by Central. Request Central to run Ad Hoc if needed immediately.

Page	Navigation
Retire Assets – Trade-In	Asset Management>Asset Transactions>Asset Disposal>Retire/Reinstate Asset>Retire Assets

Participant Notes:

Retire Assets			
<div style="display: flex; justify-content: space-between;"> Other Options By Chartfield </div>			
Unit: 28000	Asset ID: 000000000012	Crown Victoria	Tag: SCM 123 Disposed
Trans Date: 10/08/2009	Acctg Date: 10/08/2009	Rate Type: CRRNT	
Book			
<div style="display: flex; justify-content: space-between;"> Find View All First 2 of 2 Last </div>			
Book Name: CAFR CAFR Book		Base Currency: USD	
Retire As: Traded In for another As		As Of: 10/08/2009	
<input checked="" type="checkbox"/> Copy Changes to Other Books		Quantity: 0.0000	
		Cost: 0.00	
Retirement			
<div style="display: flex; justify-content: space-between;"> Find View All First 2 of 2 Last </div>			
*Disposal Code: Traded In for another Asse		Date/Time: 10/08/09 1:59:22PM Ret Status: New	
Quantity: <input type="text"/>		Retirement Amt: 0.00 USD	
Removal Cost: 0.00		RC Curr: USD	
Proceeds: 20,000.00		Pr Curr: USD	
Convention: Half Year		Base Removal Cost: 0.00	
Trans Code:		Base Proceeds: 20,000.00	
Retire Option: Calculate Gain/Loss		Accum Depr: 0.00	
		Gain/Loss: 0.00	

Figure 23. Retire Asset Page – Trade-In

Participant Notes:

Fields	Description
Retire As	Specify the type of retirement transaction as Traded in for another Asset . Then, click the GO button.

Table 16. Retire Asset Fields – Trade-In



Walkthrough/Activity

We will now complete Activity 7: Retiring an Asset by Trade-In in your Activity Guide.

Topic 4: Retiring an Asset Using a Disposal Worksheet

- The **Disposal Worksheet** page provides a quick method to select assets to retire based on the following elements: Category, Book, Location, Profile ID, Acquisition Details, and Chartfield values

Page Name	Navigation
Disposal Worksheet	Asset Management>Asset Transactions>Asset Disposal>Disposal Worksheet

Figure 24. Disposal Worksheet Page

Participant Notes:



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and Retiring Assets
Participant Guide**
Statewide Management, Accounting and Reporting Tool



Fields	Description
Asset Search Criteria	Use the Asset Search Criteria section to identify assets that are eligible for disposal based on the user's established asset ownership. Assets can be identified based on: <ul style="list-style-type: none"> • Unit • Serial ID • Category • Location • Asset ID • Asset Status • Tag Number • Profile ID • More Filter Options
Acquisition Details	To further identify assets for disposal, complete the following fields: <ul style="list-style-type: none"> • PO Unit (purchasing unit) • Receipt Unit • AP Unit (payables unit) • PC Bus Unit (projects business unit) • PO No.(PO number) • Receipt No (receipt number) • Voucher • Project ID
Retrieve	When you click the Retrieve button, the results appear in the tabbed grid at the bottom of the disposal worksheet
New Search	You can begin again by pressing the New Search button

Table 17. Disposal Worksheet Fields

Participant Notes:

Page Name	Navigation
Disposal Worksheet – Asset Action	Asset Management>Asset Transactions>Asset Disposal>Disposal Worksheet

Disposal Worksheet

Asset Search Criteria

Retrieve Next

100

Rows

1 - 6

Of 6

New Search

[View Ownership Details](#)

Asset Action

Submit for Disposal

Select All

Disposal Code

Retire Dt

10/14/2009

Accounting Dt

10/14/2009

Set All

Figure 25. Disposal Worksheet Page – Asset Action

Fields	Description
Select All	Click the Select All button to select all assets from the search results. Note: The Select All button should be used with extreme caution.
Disposal Code	Select the disposal code for all assets in the worksheet list to identify the reason for the disposal of the assets
Retire Dt	Enter a retirement date, which can be retroactive or future-dated. This date is applied to all assets in the worksheet list. Note: The default is the current date.
Accounting Dt	Enter the accounting date to be recorded if different from the current date. This date is applied to all assets in the worksheet list.
Set All	Click to apply the retirement information to all assets in the list

Participant Notes:

Fields	Description
Submit for Disposal	Click the Submit for Disposal button when you have completed the disposal worksheet. SMART provides a warning to make sure the assets selected should really be retired. Note: The disposal request is processed when SMART runs the Transaction Loader process.

Table 18. Disposal Worksheet - Asset Action Fields

Page Name	Navigation
Disposal Worksheet – Asset Information	Asset Management>Asset Transactions>Asset Disposal>Disposal Worksheet>Asset Information

Disposal Worksheet

Asset Search Criteria

Retrieve Next
100 Rows
1 - 6 Of 6
New Search
View Ownership Details

Asset Action

Submit for Disposal
Select All
Disposal Code
Retire Dt
10/14/2009
Accounting Dt
10/14/2009
Set All

Asset Information
Retirement Information
Optional Accounting Information

Dispose	Asset ID	Description	Tag Number	Category	Serial ID
<input type="checkbox"/>	000000000156	Ford F-150 Pickup	FTO 123	AUTO	
<input type="checkbox"/>	000000000157	Snow Removal Blade		ME	
<input type="checkbox"/>	000000000158	Snow Blade		ME	
<input type="checkbox"/>	000000000159	Ford F-150 Pickup	FTO 124	AUTO	
<input type="checkbox"/>	000000000160	Snow Plowing Blade		ME	
<input type="checkbox"/>	000000000161	Ford F-150 Pickup		AUTO	

Submit for Disposal
Notify

Figure 26. Disposal Worksheet Result Set – Asset Information Page

Participant Notes:



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Fields	Description
Submit for Disposal, Select All, and Deselect All	Select assets for disposal individually by selecting the Dispose check box. Note: You can also use the Select All or Deselect buttons to select or deselect all assets at once.

Table 19. Disposal Worksheet Result Set – Asset Information Fields

Page Name	Navigation
Disposal Worksheet – Retirement Information	Asset Management>Asset Transactions>Asset Disposal>Disposal Worksheet>Retirement Information

Disposal Worksheet

Asset Search Criteria

Retrieve Next 100 Rows 1 - 6 Of 6 New Search View Ownership Details

Asset Action

Submit for Disposal Select All Disposal Code Retire Dt 10/14/2009 Accounting Dt 10/14/2009 Set All

Customize Find View All First Last

Asset Information Retirement Information Optional Accounting Information

Dispose	Asset ID	Cost	Quantity	Retire Qty	Proceeds	Pr Curr	Removal Cost	RC Curr	Disposal Code	Retire Dt	Detail
<input type="checkbox"/>	000000000156	30,000.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail
<input type="checkbox"/>	000000000157	2,500.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail
<input type="checkbox"/>	000000000158	2,500.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail
<input type="checkbox"/>	000000000159	30,000.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail
<input type="checkbox"/>	000000000160	2,500.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail
<input type="checkbox"/>	000000000161	30,000.00 USD	1.0000	1.0000		USD	0.00	USD	Sale	10/14/2009	Detail

Submit for Disposal

Figure 27. Disposal Worksheet Result Set – Retirement Information Page

Fields	Description
Retire Qty	Enter the number of assets to be retire
Proceeds	Enter any proceeds, if applicable
Removal Cost	Enter any removal cost, if applicable

Participant Notes:

Fields	Description
Disposal Code	Select disposal codes for each asset individually by entering the code in this field. This value is equal to either the value selected for disposal code or default to "Sale". You have the option to enter different disposal codes for each retired asset.
Retire Dt	Enter the retirement date
Details	Click to view the Asset Details page

Table 20. Disposal Worksheet Result Set – Retirement Information Fields

Page Name	Navigation
Disposal Worksheet – Optional Accounting Information	Asset Management>Asset Transactions>Asset Disposal>Disposal Worksheet>Optional Accounting Information

Disposal Worksheet

Asset Search Criteria
 Retrieve Next Rows 1 - 6 Of 6 [View Ownership Details](#)

Asset Action

Disposal Code **Retire Dt** **Accounting Dt**

[Asset Information](#) [Retirement Information](#) [Optional Accounting Information](#)

Dispose	Asset ID	Accounting Date	Trans Code
<input type="checkbox"/>	000000000156	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>
<input type="checkbox"/>	000000000157	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>
<input type="checkbox"/>	000000000158	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>
<input type="checkbox"/>	000000000159	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>
<input type="checkbox"/>	000000000160	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>
<input type="checkbox"/>	000000000161	<input type="text" value="10/14/2009"/> <input type="button" value="B1"/>	<input type="text"/> <input type="button" value="Q"/>

Figure 28. Disposal Worksheet Result Set – Optional Accounting Information Page

Participant Notes:

Fields	Description
Accounting Date	Enter the accounting date for the retirement transaction

Table 21. Disposal Worksheet Result Set – Optional Retirement Information



Walkthrough/Activity

We will now complete a walkthrough using a UPK simulation: Retiring Assets by Disposal Worksheet.

Topic 5: Reinstating Assets

- Only one asset can be reinstated at a time
- Reinstating an asset reverses all journal entries created by the retirement

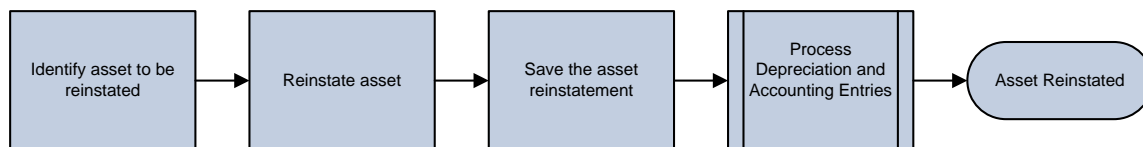


Figure 29. Reinstating Asset Process

Participant Notes:

Page Name	Navigation
Reinstate Assets	Asset Management>Asset Transactions>Asset Disposal>Retire/Reinstate Asset

Retire Assets
Other Options
By Chartfield
Capital Gain

Unit: 17300 Asset ID: 000000000002 Automobile Tag: Disposed

Trans Date: 11/25/2009 Acctg Date: 11/30/2009 Rate Type: CRRNT

Book
Find | View All
First 1 of 2 Last

Book Name: CAFR CAFR Reporting Book Base Currency: USD As Of: 11/30/2009

Retire As: Retirement by Sale Go Reinstate Quantity: 1.0000

☒ Copy Changes to Other Books Cost: 12,318.99

Retirement
Find | View All
First 1 of 1 Last

*Disposal Code: Retirement by Sale Date/Time: 11/30/09 11:20:59AM Ret Status: Unretired

Quantity: Retirement Amt: 0.00 USD

Removal Cost: 0.00 RC Curr: USD Base Removal Cost: 0.00

Proceeds: 0.00 Pr Curr: USD Base Proceeds: 0.00

Convention: Half Year Accum Depr: 0.00

Trans Code: Gain/Loss: 0.00

Retire Option: Calculate Gain/Loss

Figure 30. Reinstate Asset Page

Field	Description
Reinstate	Click the Reinstate button to reinstate a specific retired transaction. Then, click the Save button to save the reinstatement action.

Table 22. Reinstate Asset Fields

Participant Notes:



Walkthrough/Activity

We will now complete Activity 8: Reinstating Assets in your Activity Guide.

Lesson Review

In this lesson, you learned to:

- Retire assets by sale
- Retire assets by trade-In
- Retire assets using a disposal worksheet
- Reinstatement assets



Walkthrough/Activity

We will now complete Activity 9: Retiring and Reinstating Assets in your Activity Guide.



Additional Resources

The following are additional resources that provide more detail about the topic we have covered:

- SMART Glossary
<http://www.da.ks.gov/smart/training/coursematerials/WBT/glossary.htm>
- Asset Management Business Process Flows:
<http://www.da.ks.gov/smart/training/coursematerials/>

Participant Notes: